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## **Challenging gender pay gaps: organizational and regulatory strategies**

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In virtually all countries, women's pay lags behind that of men, despite progress over the last forty years or so in establishing the legal principle of equal pay for work of equal value, and despite rising female educational attainment. The reasons for this inequality are multi-dimensional, and can be approached from various perspectives: economic, sociological, institutional and organizational (Rubery and Grimshaw, 2015). From an early age, intersectional inequalities shape labour market opportunities (Besen-Cassino, 2017; McKnight, 2015). Across countries, labour markets are more or less segmented with predominantly female sectors and occupations characterised by lower wages, and often more fragmented time schedules, with part-time working under-paid in relation to full-time work (Boll et al, 2016; Smith, 2012). Across occupations, caring responsibilities preponderantly affect women's rather than men's employment and career paths. Women are under-represented in higher-level posts and there are often hidden biases in the evaluation of jobs and in promotions processes, as well as other invisible exclusionary processes (Muzio and Tomlinson, 2012).

Based on their international comparative analysis, Peetz and his colleagues suggest that gender pay gaps are driven by two intersecting factors. This analysis focuses on the impact of proximity or distance from rules-based governance which tends to reduce gaps between

groups of employees, and the way in which regulation distance (or reliance on purely market-based, individualized forms of wage fixing) interacts with labour market segregation to create and perpetuate gender wage gaps (Peetz, 2017). Women's employment is affected by regulation of gender but also by regulation of work. Changes in the regulation of work over the last few decades have weakened women's labour market position as regulation distance has increased. Public sector employment has been sharply reduced (Durbin et al, 2017; Karamessini and Rubery, 2013) and market-oriented reforms have contributed to an increase in the gender pay gap in feminized public organizations (Thornley and Thörnqvist, 2009). Collective bargaining coverage has shrunk and wage fixing has become more decentralized and individualized. Such trends are not universal: some sectors (particularly finance, information and communication) rely predominantly on bonuses and other discretionary and individualized forms of wage-setting, which tend to widen pay gaps, although these may be mediated by other factors (Rubery et al, 1997). In such conditions, women's ability to negotiate pay relative to men's has been eroded and is likely to continue to diminish, particularly for the most vulnerable groups of women (Peetz and Murray, 2017).

At the same time, the regulatory environment can be deployed strategically by individuals and equality advocates to challenge pay inequalities and seek redress. Regulation itself is the product of mobilization of social actors to effect equal treatment (Peetz, 2017). A key debate in this respect focuses on the relative efficacy of litigation for pay equity compared to other strategies for change (Charlesworth & McDonald, 2015; O'Reilly et al, 2015; Whitehouse et al, 2001). Litigation has been particularly frequently deployed in the public sector. Whilst it is generally recognized, in some contexts at least, that litigation may have reached the limits of effectiveness as a vehicle for transformation (Conley, 2014; Deakin et

al, 2015), it still has the power to drive wider change, or at least to raise awareness and challenge existing norms. (Mc Cann, 1994). The link between strategic litigation, supported by large trade unions and their lawyers, and collective bargaining at organization or workplace level, is complex: the use of litigation has not been developed consistently over time and across unions ; it depends on the legal opportunities offered by each national legal system (Fuchs, 2013), and also on social justice frame and equality awareness of trade unionists, at national but also local levels (Guillaume, 2017). The ongoing equal pay case of British Tesco supermarket workers, granted leave to challenge gendered pay classifications in February 2018, demonstrates the continued potential for wider impact, but it has been a long and costly battle, and similar claims have ended in defeat (see Calnan, 2018).

Norms about the relative value of gendered activities can undermine or undo the protections provided by regulation (Peetz, 2017), but they can also be marshalled to support change (Smith, 2015). Regulation is thus the site of both mobilization for change and resistance to it. In response to problems of non-compliance and more subtle forms of resistance, regulators have in recent years sought to develop 'smarter' forms of regulation (Deakin et al, 2015). This raises questions about whether regulation has the capacity not just to require organizations to put in place actions to redress inequalities, but to challenge invisible countervailing pressures and norms which act as a barrier to transformative change. Regulation aimed at reducing inequality can sometimes be counter-productive, creating defensiveness or even backlash, or contributing to the invisibility of inequalities by helping to dissimulate lack of action (Bleijenbergh et al, 2010; Dobbin and Kalev, 2016). Instead, it is argued, it needs to find ways of challenging behaviours in ways which lead managers to work for change, perhaps through better-designed 'reflexive' regulation (Conley and Page, 2017), perhaps through the promotion of certain types of organizational

initiative where there is greater evidence of success in effecting long-term change (Dobbin and Kalev, 2016).

An example of the ambiguities of regulation is the use of job evaluation as a systematic tool for addressing unequal treatment. Detailed and robust job evaluation is a prerequisite for effective duties on organizations to identify pay disparities and address them through action plans (Bender and Pigeyre, 2016; Chicha, 2008) and also the basis for any litigation claims. However, although there is evidence that job evaluation schemes can be an effective tool for workplace action, they are subject to hidden bias in their construction and also in their implementation (Acker, 1989;; Eveline and Todd, 2009; Koskinen Sandberg, 2017; Probert et al, 2002; see also Rubery, 2018).

Inside work organizations, inequalities are embedded within organizational norms and cultures as well as maintained by vested interests, in line with Joan Acker's (2009) concept of 'inequality regimes' (see also Nkomo & Rodriguez, 2018). Inequalities are created and maintained by institutional features such as the shape of the hierarchy, wage-setting mechanisms and wage distribution, but also by the visibility and legitimacy of inequalities, which vary across organizations. The effectiveness of different types of workplace policy intervention may depend on where, within the wage distribution, inequalities are primarily located. Alexandra Kalev and her colleagues noted in 2006 that policies are often introduced with little insight into what types of measure benefit which groups of employees (Kalev et al, 2006; see also Glass, 2004; Huffman et al, 2017). For example, it has been suggested in the German context that formal diversity and childcare policies primarily benefit lower-paid workers, whereas gender pay gaps are predominantly situated at the top of the wage distribution (Huffman et al, 2017).

A further debate concerns the relationship between substantive representation and pay equality outcomes (Abendroth et al, 2017; Cohen & Huffman, 2007; Dobbin et al, 2011; Hultin and Szulkin, 1999; Stainback et al, 2016). Do increasing numbers of women at the top lead to more equal distributional outcomes? Existing research has questioned this relationship, because formal power does not always equate to real power to effect change, and because men may find multiple ways to resist relinquishing privileges, but also because the process of effecting change is complex and not always easy to predict. Workforce distribution and other sectoral and organizational characteristics are likely to mediate the impact of policy change (Abendroth et al, 2017). In some organizations, particularly in the public sector, managers have little autonomy to determine the salary level and the promotions of their subordinates. Qualitative research on female managers' preferences and managerial practices are still needed, particularly from an intersectional perspective. Women managers may be attentive to the feminization of management, and actively support their peers, but may not feel homophilic with their female subordinates (especially of different race, ethnicity or class). They can support downsizing, outsourcing and restructuring processes than reduce wages and careers prospects of low-qualified women (Cockburn, 1991).

The papers in this volume, using a variety of quantitative and qualitative methods, contribute to these debates and offer new insights into the mechanisms by which gender pay equalities are created and reproduced inside organizations, as well as into ways in which inequity can be challenged, and the political processes sparked by such challenges. Three of the articles are based on empirical research in public sector organizations. Here there is significant regulatory proximity and where women's employment is relatively secure, but horizontal and vertical segmentation nevertheless persists, and conditions have

worsened under austerity (Price and Colley, 2017; Thornley and Thörnqvist, 2009). A fourth draws on a study of one large private sector multinational and one large, majority-state-owned company, whilst another uses a matched employer-employee panel dataset to investigate the relationship between 'family-friendly' workplaces and pay inequalities. Moving from the organizational to the sectoral level, a further paper compares two sectors with very different gender composition and distribution across two relatively similar countries. The final two papers in the volume use national panel data to focus on the relationship between the gender composition of senior management and wider configurations of gender pay inequalities. Together they provide original empirical evidence from Europe and New Zealand which highlight opportunities for successful coalition-building and change management, but also point to the fragility of gains made.

In 'From evidence to action: Applying gender mainstreaming to pay gaps in the Welsh public sector', Rachel Ashworth and Alison Parken present findings from an action research project produced collaboratively with organizational practitioners and change management consultants in three public sector organizations, a local authority, a clinical health (NHS) board, and a university, in Wales where a relatively strong public sector duty exists. All three organizations had gender pay gaps despite having undertaken pay audits in recent years, and all three exhibited patterns of vertical segregation. The intensive, collaborative and context-sensitive approach allowed the organizations to identify the key challenges posed by vertical and horizontal segregation, particularly the concentration of women in low-paid part-time work, and to put in place measures to address them. Solutions included the reduction of the part-time/full-time distinction and extension of flexibility to all employees,

and consideration of career development structures for low-paid female employees. The authors argue strongly for a gender mainstreaming approach and patient, long-term collaborative interventions in order to ensure management 'buy-in'.

Sharyn Graham Davies and Judy McGregor in 'Achieving pay equity: strategic mobilization for substantive equality in Aotearoa New Zealand' analyse a very different approach to equality. Their paper highlights the importance of women's voice in a large-scale, five-year-long public campaign to achieve pay parity for care workers across the sector. In this case, the equality commissioner went undercover to investigate employees' pay and conditions, and trade unions mobilized effectively using opportunities provided by the law, including litigation, as well as high-level reports. The wide-ranging publicity afforded a space for the voice of women who are rarely heard in public discourse. Beyond the specific victories of the campaign in the form of financial redress (pay rises of between 15% and 50%), the authors argue that it had a lasting effect in empowering low-paid, low-status women, in a country with no previous history of equal pay mobilization. They also acknowledge that further mobilization will be required to sustain momentum and prevent backlash or stalling.

Paula Koskinen Sandberg and Milja Saari, in 'The politics of equal pay – the importance of studying wages as political', develop a gendered analysis of pay negotiations in the case of Finnish nurses. They show how, in a country which nevertheless has strong gender equality norms in public policy, institutionalized undervaluation of women's work goes unchallenged. A long and carefully prepared campaign by nurses was undermined by a dominant discourse of class which emphasized low pay in the sector but did not link it to the undervaluing of specifically female dominated occupations. This example highlights the difficulty of operationalizing intersectional demands in practice where 'gender-blind'



discourses fail to identify women's structural inequality, and therefore allow pay inequity to be presented as 'historic' and outside the remit of collective demands.

In the French case, as Vincent-Arnaud Chappe and Sophie Pochic demonstrate in 'Battles through and about statistics in French equality bargaining at workplace level', trade unions at local level potentially have a powerful tool to demand remedial action to tackle gender pay gaps, particularly as here in larger companies where unions are stronger. They show that complex reporting requirements open up a space for contestation, where the outcome depends on power resources. Trade unions (often but not always female negotiating teams) have the capacity to make demands of management, such as large equalizing budgets to bring pay of female employees in line with those of men, particularly when they can draw on external expertise such as that provided by consultants, but managers also deploy resistance tactics to justify pay gaps. In both cases presented, conflicts arise over how to measure and diagnose pay gaps. Informational power thus constitutes an important part of the toolbox for equality actors but it requires considerable resources to access and deploy it.

In their paper, which is based on a larger study of two sectors in five countries, Andrea Scheele, Nadja Bergman and Claudia Sorger present a case study comparing the two sectors (finance and insurance, and human healthcare) in Austria and Germany. Their research, based on analysis of the Labour Force Survey and national statistics, and on interviews with professional associations and trade unions, provides a fine-grained sectoral analysis, which shows that sectoral wage setting mechanisms and job evaluation schemes have a substantial impact on gender pay inequalities. In both sectors it is difficult for unions to mobilize against the gender pay gap, but for different reasons. The healthcare sector is

weakly unionized and women are concentrated in low-paid part-time work. In the finance sector, bonuses and premium pay undermine collectively regulated wage settlement. The article shows that sectoral and occupational characteristics strongly mediate national policies aimed at supporting women at work.

Ariane Pailhé and Anne Solaz use a cross-sectional survey of employees and employees in establishments with 20 employees or more, carried out in 2004-2005, to investigate the relationship between earnings and the existence of 'family-friendly' policies. The latter are divided into three main types of policy: assistance with childcare, leave policies, and flexible work arrangements. They find that on average both men and women working in family-friendly establishments earn more than those working elsewhere. The effect is particularly strong for cash and in-kind (leave) benefits, and where benefits are bundled in a package rather than existing as isolated measures. The wage premium is generally stronger for women than men. This finding suggests that employer policies to support work-life balance should be encouraged by policy-makers as a way of achieving broad equality aims; however, it would need to be tested in other national contexts.

The final two papers in this volume consider the question of whether opening up decision-making structures to female executives facilitates wider organizational equity and reduces gender pay disparities. Analysing Czech employee panel data, Jiří Balcar and Veronika Hedija in 'Influence of female managers on gender wage gap and returns to cognitive and non-cognitive skills' find that employees in organizations with greater proportions of female managers suffer a wage penalty relative to employees elsewhere, but that gender composition of management has no impact on gender pay gaps. Wage returns to education differ for men and women, but are not affected by the presence of a female manager.

Using the Workplace Employee Relations survey from 2004 and 2011, Dragana Stojmenovska in 'Management gender composition and the gender pay gap: Evidence from British panel data', finds a direct positive impact of presence of women in senior management on reduced pay disparities within the organization. The relationship between gender management composition and other mediating variables is more complex, which indicates the need for further research, both investigating how (through which processes) greater female management presence encourages pay equity, and analysing further the impact of formal pay-setting mechanisms such as independent pay reviews and collective bargaining. Finally, this paper also finds a modest but independent impact of 'family-friendly' measures on reduced pay disparities, which also merits further research. The difference between the findings from the two sets of panel data confirms the complexity of intra-firm inequalities and suggests the need for further cross-national research investigating the relationship between gender composition of management, workplace organizational measures aimed at facilitating women's career progression, and gender pay gaps.

All these papers show that there is no 'one best way' to reduce gender pay gaps. Different repertoires of actions can be used, separately or combined, with different results across contexts. The papers in this volume highlight the complexities of inequalities within organizations and the need for research which is sensitive to occupational and organizational context, and to invisible as well as visible ways of doing and undoing gender, as well as to the embeddedness of organizational inequality regimes in wider structural advantage and disadvantage.

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